

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Inbound E-format Letter Post

Docket No. CP2020-120

PUBLIC REPRESENTATIVE COMMENTS ON POSTAL SERVICE NOTICE OF
SPECIFIC RATES FOR INBOUND E-FORMAT LETTER POST SMALL
PACKETS AND BULKY LETTERS
(April 27, 2020)

The Public Representative hereby provides comments pursuant to Order No. 5479.¹ In that Order, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on a Postal Service notice of a proposed prices for Inbound Letter Post Small Packets and Bulky Letters.²

Included as Attachment 1 to the Notice is an application for non-public treatment of materials filed under seal. Attachment 2 contains the proposed prices. A certification of prices is included as Attachment 3. A redacted copy of Governors' Decision 19-1 is included as Attachment 4. The Postal Service also filed under seal a supporting financial model estimating the cost coverage under the proposed rates.

In its Notice, the Postal Service seeks Commission approval to submit the proposed rates to the International Bureau (IB) of the Universal Postal Union (UPU), with rates going into effect on January 1, 2021. Notice at 2. The Postal Service states that the proposed rates for Inbound E-format Letter Post conform to the statutory requirements for competitive products under 39 U.S.C. § 3633. *Id.* at 4. It contends that "the supporting documentation demonstrates that the new rates cover their attributable

¹ Order No. 5479, Notice and Order of Specific Rates for Inbound E-Format Letter Post Small Packets and Bulky Letters, April 13, 2020.

² Notice of the United States Postal Service of Specific Rates Not of General Applicability for Inbound E-Format Letter Post for 2021, and Application for Non-Public Treatment, April 10, 2020. (Notice)

costs, avoid cross-subsidization of competitive products by market dominant products, and do not impede competitive products' collective ability to cover their "appropriate share" of institutional costs. *Id.*

COMMENTS

Pursuant to 39 USC 3633(a), competitive prices must ensure that each competitive product (1) do not result in market dominant products subsidizing competitive products, (2) ensure that each competitive product covers its attributable costs; and (3) enable competitive products as a whole to cover an appropriate share of the institutional costs of the Postal Service.

The Public Representative has reviewed the Postal Service's Notice, the attachments thereto, the supporting financial model filed under seal that accompanied the Notice and other relevant information. Based upon that review, the Public Representative concludes that the proposed rates for Inbound Letter Post Small Packets and Bulky Letters satisfy the requirements of 39 USC 3633(a). Therefore, the Public Representative recommends approval of the proposed rates.

Additionally, regarding CHIR 1,³ Question 2, the Public Representative notes that the Commission has always discouraged the Postal Service from speculating about mailer behavior. The Public Representative supports the volume and weight-per-piece figures used by the Postal Service.

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

Katalin K. Clendenin
Public Representative

³ Chairman's Information Request No. 1 and Notice of Filing Under Seal, April 22, 2020. (CHIR 1)

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